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NIC OUTLOOK

Recent intelligence reflected in this Outlook points up:

- Certain possible consequences of the power struggle in South Yemen.
- The question of possible armed confrontation between Israel and Syria.
- 1. Certain Possible Consequences of the Power Struggle in South Yemen. Even though the issue is not yet resolved in South Yemen (PDRY) and many aspects of the coup attempt's origin and course are still cloudy, certain consequences of this affair can be pointed up at this time, as can certain possible opportunities for the United States.
 - The situation in South Yemen is still unresolved, although the pro-Soviet rebels may be gaining the upper hand. If the rebels do consolidate a victory, the Soviets will almost certainly gain several new advantages.
 - An even more malleable regime in Aden.
 - Greater military access within South Yemen, including the provision of bases, which the previous government had consistently denied.
 - Possibly more active PDRY support to other Soviet allies in the region and PDRY reviving the earlier Tripartite Alliance with Libya and Ethiopia.
 - An object lesson to leaders of other Soviet client states not to flirt with the West.
 - The precise Soviet role in the coup attempt is as yet unclear, although Abd-al-Fattah Ismail, the key leader of the coup, is a longtime close Soviet ally, and was so even before his five years of exile in the Soviet Union; and it is almost inconceivable that the USSR was not aware of his general plans.
 - Soviets are sprinkled throughout all major PDRY military units and security organizations and cannot have been ignorant of the intentions of Ismail's group.
 - Pro-Soviet hardliners had been whittling away at President al-Hasani's power during the last year.

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— The Soviets apparently did not direct the coup, but they may well have acquiesced in it if they believed the momentum of events was favorable for the rebels to move.

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- Throughout the fighting, the Soviets have adopted a position of flexible opportunism, avoiding taking sides and positioning themselves to be with the winner.
- Indeed, they have held in suspense the very legitimacy of the regime's chief leaders, pending clearer outcome of the clash.
- If the evolving factional struggle in Aden required the rebels to move quickly when they did, the Soviets may not have had time to give full thought to possible negative sides to this development.
 - Moderate behavior in the Gulf on the part of both the Soviets and the PDRY for several years had lulled many Gulf states into believing that the USSR presented little threat: establishment of diplomatic relations ensued late last year with Oman and the UAE. Other candidates for normalization of relations with the USSR—Bahrain and Saudi Arabia—will almost certainly reconsider their options for a while.
 - Even other radical leaders in the Middle East and elsewhere may take pause from these developments. Mengistu in Ethiopia, Qadhafi in Libya, dos Santos in Angola, and even Assad in Syria will be reminded that they too could be displaced if a more attractive, malleable alternative with good prospects of success presented himself to the Soviets.
- Within the PDRY each side in the struggle lacks real cohesion and is beset with differing ideological views on the role of the USSR in the PDRY. Each side depends on the power of tribal coalitions backing them; indeed, the tribal hostilities lend further fuel to the struggle.
 - If the pro-Soviet rebels win, however, they cannot coexist for long with their tribal allies whose parochial interests they basically ideologically oppose. This tension will provide a continuing source of instability in the country.
 - Reports of the death toll are mounting up toward 10,000—a staggering number for a country as small as South Yemen. Grievances and blood hatreds will run deep throughout PDRY society for many years to come, encouraging ultimate settlement of many blood scores.

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• Tribal elements in southern PDRY who oppose the rebels share a common border with North Yemen (YAR) from which they could be easily supported if they wished to carry out guerrilla warfare against Aden. Saudi Arabia might also wish to support them.

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- If victorious rebels grant the USSR greater facilities in the country and a larger voice in PDRY policies, Aden will not necessarily move at once to support all radical trends throughout the Gulf. Moscow will still wish to improve relations with other Gulf countries, despite setbacks.
 - Nonetheless, North Yemen will be most immediately exposed.
 Although the present regime of President Salih has been rather successful in maintaining power, its roots of control are not deep. A whole generation of YAR officers was trained in the USSR, and Soviet agents of influence have probably penetrated most facets of North Yemeni society.
 - Under a more radical leadership in Aden, the PDRY would probably return to a policy of destabilization directed against the North. While the present situation there is fairly stable, the YAR probably presents greater opportunities for a pro-Soviet coup than any other country in the Arab world. Its long-term stability is much in question.
 - The PDRY could well be interested in North Yemen's oil region, which lies near the PDRY border and in a fractious tribal area.
 - If South Yemen becomes more radical in its regional policies, Saudi Arabia may rethink its policies, possibly accommodating itself to a growing Soviet role in the region or—less likely—improving security ties to the United States.
- It is not impossible that the struggle could go on for some time, unresolved. Should that occur, major contingent possibilities will include Ethiopian, YAR, or other outside intervention in the affair—and the splitting up of South Yemen into warring fiefdoms.
- Saudi Arabia, the YAR, and the United States may have opportunities to exploit new rifts within the PDRY. This would of course apply to the greatest degree if the rebel forces should in time lose out. But certain opportunities may arise even in a situation of rebel victory or of a long drawn out, unresolved situation.

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- In these latter circumstances, profound factionalism would abide in the country, and more radical PDRY domestic and foreign policies would create greater internal opposition.
- The United States would also have opportunities to educate regional and Third World audiences on the clearly demonstrated costs of the Soviet embrace.

2. The Question of Possible Armed Confrontation Between Israel and Syria.

- Israel is deeply concerned that Assad's heightened brinkmanship of the past two months reflects a basic Syrian intention to weaken Israel's overall position in the region, especially in Lebanon. The Israelis also believe that Syria may be contemplating a military attack designed to have extremely limited strategic goals (in effect a mini-1973 war) in order to attain modest strategic goals before Western intervention might stop the fighting—in the belief that even a modest initial victory might greatly strengthen Syria's standing in the region and demonstrate the success of Syria's hard line.
- There is no doubt that Syria is the only major frontline state dedicated to the continuing strategic confrontation with Israel. We believe Syria will not seriously consider any US proposals for a peaceful settlement of the Arab-Israeli problem until it attains sufficient military parity to deal from a position of strength.
- The Intelligence Community has consistently pointed out that a war between Israel and Syria is a distinct likelihood in the next few years. Although war could begin accidentally through miscalculation or escalating provocations, both sides appear certain that an armed confrontation is likely sooner or later.
- Syria does not appear to seek major hostilities with Israel now. Assad is playing a careful tactical game designed to deny Israel a major voice in Lebanese affairs and to limit Israel's ability to diminish Syrian freedom of action in Lebanon.
 - Assad's recent moves involving SA missiles indicate that he is nonetheless willing to take considerable calculated risks in his brinkmanship—as the acknowledged master of the art in the Middle East.
 - He will probably continue to try to weaken Israel's position in Lebanon, drive Israeli forces out of South Lebanon, make it clear to the region that Syria is powerful and unafraid of facing Israel, and block a peace process in which he does not

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play a central role. Such periods of heightened tensions have virtually sidetracked the peace process already, and will continue to damage it.

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- We doubt that the USSR will encourage Syria to undertake any military action against Israel at this point because inevitable Israeli retaliation would exact high Syrian losses in military equipment and personnel. The USSR cannot control this game of chicken, however, especially since it continues to provide the military wherewithal to augment Syrian strength.
- For its part, *Israel* will not allow Syria to gain the psychological advantage—because Syria's shuttling of SA missile units into and out of Lebanon challenges Israel's pronounced "red lines." Israel will strike back tactically if it believes any Syrian challenge to be getting out of hand. And Israeli domestic politics will also play a major role in determining how bold or dramatic Peres wishes to be in responding to Syria.
 - The Intelligence Community remains confident that Israeli military power substantially outweighs that of Syria. Israeli anxieties do not relate to any fear of inability to defeat Syria, but to the high human and financial costs even a successful military confrontation with Syria would exact.
 - Israel will not only face continuing Syrian challenges, but will also constantly have to reassess how far to let Syria go before responding.

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